

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4404-02  
Bill No.: HB 1609  
Subject: Environmental Protection; Natural Resources Dept.  
Type: Original  
Date: March 24, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials with the **Department of Natural Resources (DNR)** assume this proposal would require any person filing an annual emissions inventory questionnaire who emits 30 or more pounds of mercury per year to pay a fee of \$1,000 per pound to the Air Pollution Control Program of the Department of Natural Resources.

The program would keep only the fees necessary to oversee the collection and allocation of the revenues. All remaining moneys would go to the Bureau of Special Health Care Needs in the Division of Maternal, Child, and Family Health within the Department of Health and Senior Services.

The proposed legislation would require DNR to collect the mercury emissions fees outlined in this bill. The department would need additional resources to track the industrial sources, design a new form for mercury reporting, analyze fuel and emission calculations based on EIQ information, conduct EIQ audits and quality assurance measures of mercury data, collect, deposit, and allocate mercury emission fees, invoice for past due or incorrect calculations and process refunds issue NOV's, charge fines, and send referrals to the AGO through the commission. The estimated cost to collect the mercury emission fees would be approximately 1% of revenues.

VL:LR:OD (12/02)

ASSUMPTION (continued)

The proposal does not specify where the mercury emission fees would be deposited. DNR assumes for purposes of this fiscal note that the portion of the fees used for oversight/collection would be deposited to the Natural Resources Protection Fund and the remainder would be allocated to the Bureau of Special Health Needs in the General Revenue Fund.

Officials with the **Department of Health and Senior Services (DOH)** assume entities emitting more than 30 pounds of mercury per year emitted a total of 2,036.48 pounds of mercury in 2002, the last year for which reports are available. Under the proposal, these entities would pay a fee of \$1,000 per pound of emission to the Department of Natural Resources (DNR) Air Pollution control Program. The DNR would be allowed by the proposal to retain for itself the cost of collecting and allocating the revenue. The amount DNR would retain is unknown at this time. The remainder of the fee would be allocated to Special Health Care Needs (SHCN) program.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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**GENERAL REVENUE**

<u>Income</u> - Department of Health and Senior Services - fees from mercury emitters	<u>\$2,036,480 to</u> <u>\$3,500,000</u>	<u>\$2,036,480 to</u> <u>\$3,500,000</u>	<u>\$2,036,480 to</u> <u>\$3,500,000</u>
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<u>Cost</u> - Department of Natural Resources			
Salaries	(\$22,148)	(\$27,242)	(\$27,923)
Fringe Benefits	(\$6,711)	(\$8,254)	(\$8,461)
Equipment & Expense	<u>(\$9,920)</u>	<u>(\$4,793)</u>	<u>(\$4,973)</u>
Administrative Cost to DNR	<u>(\$38,779)</u>	<u>(\$40,289)</u>	<u>(\$41,357)</u>

<u>Cost</u> - Department of Health and Senior Services			
Bureau of Special Health Care Needs	<u>(\$1,997,701 to</u> <u>\$3,461,221)</u>	<u>(\$1,996,191 to</u> <u>\$3,459,711)</u>	<u>(\$1,995,123 to</u> <u>\$3,458,679)</u>

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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FISCAL IMPACT - Local Government

FY 2005  
(10 Mo.)

FY 2006

FY 2007

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

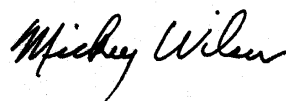
DESCRIPTION

This bill requires any person filing an annual emissions inventory questionnaire who emits 30 or more pounds of mercury per year to pay a fee of \$1,000 per pound to the Air Pollution Control Program of the Department of Natural Resources. The program will keep only the fees necessary to oversee the collection and allocation of the revenues. All remaining moneys will go to the Bureau of Special Health Care Needs in the Division of Maternal, Child, and Family Health within the Department of Health and Senior Services.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources  
Department of Health



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Director  
March 24, 2004